



TENNESSEE ECONOMIC AND COMMUNITY DEVELOPMENT
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COMMISSIONER AT WORK

A few highlights of Commissioner Kisber's most recent activities.

Speakings/Events:

Chester County Leadership Group
Coffee County Industrial Board
Crockett Co. Youth and Adult Leadership
Destination Rutherford Luncheon
East Tennessee Symposium for Business and Industry
Gallatin Rotary Club
Henderson County Leadership Group
Knoxville Chamber Economic Development Committee
Leadership Chattanooga
Leadership Jefferson
Leadership Roane
Tennessee Center for Performance Excellence Awards
TIDC "Day on the Hill"
Wayne County Leadership Group

Announcements

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ETS Rubber Products will open a new manufacturing plant in Ducktown. ETS manufactures gaskets for the automotive industry and has invested \$1 million to open the plant, which will provide 50 jobs with an average hourly wage of \$9.50 per hour.

Printing Technology, Inc. (PTi) will remanufacture printer ink cartridges at its new 22,000 square-foot facility in Maury County. The company will employ 50 people in the first year. The Mt. Pleasant PTi facility is the company's first operation in the eastern United States.

Starplex Scientific, a Toronto-based pharmaceutical plastics company, will locate its first U.S. operation in the Cleveland/Bradley Industrial Park. The company will build a 67,000 square-foot facility on a 12-acre site and will hire 25 associates in the first year of operation. Starplex Scientific, Inc. manufactures pharmaceutical/nutriceutical bottles.

Mi-Jack Products, Inc., through its affiliated company Greenfield

Products, Inc., will move and expand part of its engineering and manufacturing operations to Obion County, creating up to 85 new jobs over the next three years. The project represents a \$5 million-\$6 million capital investment.

Hydroserre Tennessee, LLC, has selected Overton County, Tenn., to build a new production facility, investing \$40 million into the community and providing about 300 jobs. Using hydroponic technology, the company will grow "Clean and Natural" lettuces and greens within a controlled atmosphere.

Trade & Industry Development, a site selection trade publication, has awarded the new Portland, Tenn.-based distribution facility **Federated Department Stores** the magazine's 2007 Corporate Investment and Community Impact (CiCi) Award. *Trade & Industry Development* recognized Federated in the community impact category, which focuses on companies whose 2006 projects had the greatest potential for positive impact on a community or region. The magazine awards both the company and the economic development organizations involved in the project.

Alternative Fuels

(Continued from Page 1)

Other components of the alternative fuels plan include:

- \$10 million for additional UT and ORNL research to increase switchgrass production and achieve efficiencies in the production of cellulosic ethanol.

- \$3 million to fund research for other, non-biomass alternative fuel sources.

- \$8 million in agricultural incentives to help Tennessee farmers tap into the new farm-based fuels market.

Governor Bredesen also announced three alternative fuels grant and loan programs, recommended by the state Alternative Fuels Working Group, which

represent a \$3.5 million investment and include:

- Agricultural Feedstock Processing Loans to attract investment in soybean crushing facilities to create local markets for Tennessee-grown soybeans and supply the oil needed to create biodiesel.

- Innovation Grants to help governments and state-funded universities increase the use of alternative fuels in their fleets.

- Green Island Corridor Grants to build a network of publicly-accessible B20 and E85 refueling stations or "green islands" along Tennessee's major highways.

Tennessee Department of Economic & Community Development, Authorization #330957 - 8,600 copies, April 2007. This public document was promulgated at a cost of 13¢ per copy.

DEVELOPMENTS

NEWS FROM TENNESSEE ECD

Alternative Fuels Strategy: Position Tennessee for Opportunities of Tomorrow

Governor Phil Bredesen has proposed \$61 million for a comprehensive alternative fuels strategy in his 2007-2008 budget to position Tennessee as a national leader in the production of biomass ethanol and related research.

Combined with \$11.6 million in existing funding for an ongoing related project at Oak Ridge National Laboratory (ORNL), the Governor's proposal represents a \$72.6 million comprehensive plan.



Agriculture Commissioner Ken Givens (r) and University of Tennessee President John Petersen join Governor Bredesen for the alternative fuels announcement in Nashville.

will operate at a capacity of five million gallons per year. Scientists at ORNL and the University of Tennessee (UT) Institute for Agriculture have developed ethanol from switchgrass, a crop that can be grown virtually anywhere in Tennessee. Biomass crops like switchgrass represent significant new markets for Tennessee farmers and new opportunities for Tennessee's economy.

(See Alternative Fuels, Page 4)

SAVE THE DATE

Governor's Conference on Biofuels

Creating A Partnership For
Homegrown Energy

May 30 – June 1, 2007
at Montgomery Bell
State Park

Visit
www.tdec.net/altfuels/conference
for more information.

Community Development Unveils Innovation Grant Programs

ECD's Community Development Division recently unveiled new grant programs for Tennessee's Three-Star and Main Street communities. The Three-Star Priority Grant, Three-Star Innovation Grant and the Main Street Innovation Grant were instituted to support Tennessee's certified communities in their strategic plans and development priorities.

The Three-Star Priority Grant is a matching fund program that will support top priorities in a Three-Star community's strategic plan. The maximum amount of the grant is \$2,500, with the community's Three-Star

level determining the percentage match. The Three-Star Innovation Grant is a competitive, matching grant program that encourages development of new and innovative projects to enhance the overall community. There will be three innovation grants awarded in each population category. The maximum amount awarded will be \$15,000.

The Main Street Innovation Grant is designed for Tennessee's certified Main Street communities and supports the development of new and innovative projects, programs and technology that exhibit best

practices in downtown revitalization. Each certified community is eligible for \$10,000 and 20 percent must be matched from the certified Main Street Program.

"ECD recognizes community development is the first step to successful economic development and we are pleased to offer financial resources to Tennessee's certified Three-Star and Main Street communities," said ECD Commissioner Matthew Kisber. "These grant programs offer communities an opportunity to leverage their strengths to improve quality of life, grow jobs and attract new industry."

April / May 2007

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Tennessee cities among nation's most popular for retirees

Where to Retire magazine has chosen Crossville, Gatlinburg, Knoxville and Loudon among its top 100 most popular places to retire in the U.S.



The magazine mentioned Crossville as one of the list's top movers, jumping 49 positions from 92 to 43.

Where to Retire selected the best places to retire in 22 categories. Crossville, a Retire Tennessee pilot community, earned first place in the budget category.

COMMISSIONER'S CORNER

This is my fifth year as commissioner of the Tennessee Department of Economic and Community Development, and when Governor



Bredesen asked me to take on this job, I can still remember the first time he told me, "if you do things the way you've always done them, don't be surprised to get the same results you've always gotten."

This is Governor Bredesen's number one rule of management and one we have worked to implement at ECD.

Business leadership and community leadership are definitely crucial to Tennessee's economic development strategies. Leadership in education is where we must focus our efforts to further economic development in Tennessee.

By putting our resources into edu-

cation, we will drastically improve our ability to do what every one of us does each day — work to attract new jobs to our state.

Governor Bredesen and I spend a great deal of time talking with corporate executives. We always ask them: "What can Tennessee do better?" Invariably, the conversation turns to education.

We have a promising future and Governor Bredesen is committed to keeping education as Tennessee's number one priority.

The Governor's approach to economic development is pretty common-sense approach and makes good common sense for education to be part of the important discussions to help meet the needs of Tennessee employers.

Matthew Kisber

— Matthew Kisber
Commissioner, Tennessee Department of
Economic & Community Development

Business Matchmaking Visits Franklin June 7

ECD will host the Middle Tennessee Business Matchmaking event, 8 a.m. to 3:30 p.m. on June 7 at The Factory at Franklin, 230 Franklin Road, in Franklin.

Each small business or seller will have 15-minute, one-on-one business appointments scheduled with procurement representatives or buyers. The seller registration fee is \$35 and the late registration fee, which begins on May 29, is \$50. There is no fee for buyers to participate. To register online, visit www.tnecd.gov/matchmaking. The online registration deadline is May 25.

Sponsored regionally by the Metropolitan Nashville Airport Authority, Middle Tennessee Business Matchmaking regional



partners also include the Franklin-Williamson County and Nashville Area Chambers of Commerce. The statewide sponsors of Tennessee Business Matchmaking are TVA, the UT Center for Industrial Services and the Tennessee Small Business Development Centers.

Since 2006, ECD has hosted five Business Matchmaking events in the Tri-Cities, Nashville, Memphis, Knoxville and Jackson, where more than 2,815 one-on-one business appointments were held between 703 small businesses and 228 procurement officials. For additional program information call (615) 741-2626.

Toyota decision raises profile of Enterprise South

Toyota recently selected Tupelo, Miss., as the site for its 8th U.S. manufacturing plant. Chattanooga's Enterprise South was the runner-up for the plant.

Chattanooga Mayor Ron Littlefield said this is the first time Chattanooga has been considered for a major automotive project and he's convinced the city's profile has been raised significantly as a result of Toyota's search process.

"We did everything we possibly could to position Chattanooga for this decision," ECD Commissioner Matthew Kisber said. "Toyota has told me Enterprise South met every criteria the company established for the location of an assembly plant."

Governor Bredesen issued a statement saying he was "disappointed" by Toyota's decision, but he felt Tupelo's close proximity to the Tennessee line would likely mean the project would have a spillover economic impact on Tennessee workers and Tennessee auto suppliers.

Commissioner Kisber pointed out that Tennessee-based Toyota suppliers like DENSO in Maryville and Athens, Aisin in Clinton and Toyota-Bodine Aluminum in Jackson would likely see a positive impact on production in the wake of Toyota's announcement.



Chattanooga Mayor Ron Littlefield, Hamilton County Mayor Claude Ramsey and ECD Commissioner Matthew Kisber address media and community leaders about Toyota's decision to move its 8th manufacturing plant to Tupelo, Miss.

Memphis initiates "Cornerstone Studies" to develop stronger communities

Expansion Management magazine recently listed Memphis as one of 2007's 50 Hottest Cities to do business. Developments recently sat down with Melissa Rivers, director of regionalism and work force development with the Memphis Regional Chamber of Commerce, to get her thoughts on generating economic success through effective regional relationships.

Q: How is a regional approach keeping the Memphis area competitive in attracting new investment?

We have initiated a series of three Cornerstone Studies, in cooperation with the Memphis Regional Economic Development Council, to evaluate key areas of economic development, sites, people and infrastructure, and to develop stronger plans through fact-based objective research.

Deloitte and Hess & Co. conducted a 2003 megasite study evaluating 17 sites throughout the region. Of the 17 sites, 10 were classified as general industrial and these communities refocused their efforts toward projects more suited to their product. The other seven communities were given information to get their sites market-ready.

In 2006, we completed a nationally-recognized labor and targeted industry study which provided a profile of our region's work force. Communities can use the baseline information to align education and work force resources to meet the needs of existing and target industries. The study led to the first online labor data delivery tool, which helps employers understand their surrounding labor pool and equips economic developers with fresh labor data for prospects.

In 2007, we will complete the Regional Infrastructure Assessment. The assessment will evaluate linkages in the region's entire infrastructure system. We are looking at connectivity in roads, rail, water, air and telecommunications, basically the infrastructure that makes our region "America's Distribution Center."

Q: How do you foster collaboration between urban and rural players?

Through the Cornerstone process, each partner has identified their targets and how to strategically pursue them. The basic concept of regionalism is the communities of the region are bound by one common bond — economic prosperity. By strengthening their region, they are strengthening their communities.

Q: What obstacles to the Memphis area's growth have been removed because of regional cooperation?

A major obstacle for any community is anecdotal versus factual information. Many communities build their economic initiatives on the slippery foundations of passing conversations or gut instinct.

By completing the Cornerstone Studies, we have a rock-solid foundation of information about target industry sectors, site inventory to support those sectors and the infrastructure needed so those sectors can grow today and in the future. It also tells us what kind of work force is needed to compete in those sectors today and how we need to align educational resources to be competitive in the future.

Q: How are you sustaining the regional partnerships for continued economic growth?

Agility is the key. Our regional partnerships are affected by shifts in the economy and changes in the political landscape and the market. As long as the development of our region is geared toward market responsiveness, each regional partner will deliver positive results for their communities.

ECD ANNOUNCEMENTS

Sanderson Pipe Corporation (SPC) recently broke ground on a \$23.5 million facility that will house the company's new 152,000 square-foot manufacturing plant. The building will be located in the Clarksville-Montgomery County Corporate Business Park and will be operational by winter 2007. The company will hire 50 people during its first year of operation and anticipates a work force of 100 within five years.



ECD Commissioner Kisber (center) celebrates the Sanderson Pipe Corporation groundbreaking with company representatives and local officials.

National group certifies Chattanooga and Hamilton County for retirees

The American Association of Retirement Communities (AARC) has named Chattanooga/Hamilton County as the first community in Tennessee to receive its prestigious Seal of Approval as a retirement destination.

Hamilton County Mayor Claude Ramsey and Chattanooga City Mayor Ron Littlefield celebrated the announcement of the AARC

designation by formally launching Choose Chattanooga, a new initiative to market the Chattanooga area to people deciding where to retire and relocate. The Choose Chattanooga marketing initiative includes a Web site, www.choosechattanooga.com, and a toll free number, (866) 567-2134, for people seeking retirement information.

ECD Director Named "Volunteer of the Year"

The American Chamber of Commerce in Canada (AMCham) recently named Bob Bathgate, ECD Canadian Director, Volunteer of the Year for his service and dedication to the goals of the organization. Bathgate serves as the liaison to the Atlantic Canada and Quebec Chapters of AMCham. He was also recently named president and CEO of the organization.



U.S. Ambassador David H. Wilkin (left) and Bob Bathgate.